Grain Transportation Report

A weekly publication of the
Transportation and Marketing Programs/Transportation Services Branch
www.ams.usda.gov/tmdtsb/grain

Contact Us

August 24, 2006

Contents

The next release is Aug. 31, '06

WEEKLY HIGHLIGHTS

Grain Transportation Overview

Transportation indicators for the week suggest brisk grain movements, rising rates, and strong demand for transportation services as we approach the fall harvest and shipping season for grain. Although **barge rates** have leveled off for most locations to 550-570 percent of tariff, they remain above 700 percent of tariff in Memphis area. Grain export activity in the Mississippi Gulf continues to gain momentum, offsetting the decline in **grain inspections** for the Pacific Northwest for the second consecutive week. However, this trend may not continue to favor the Gulf because of the continuing expansion of the ocean rate spread. For the week ending August 12, **rail grain carloads originated** on major U.S. railroads were down slightly, but remained strong at 21,329 carloads.

Repairs at Ohio Locks and Dam 52 Create Major Traffic Delays

Major delays (up to 70-plus hours) are reported at Ohio Locks and Dam 52 (L&D 52) where the auxiliary chamber is down for repairs until September 15. The main chamber at L&D 52 is scheduled to be closed for repairs from September 19 through November 11. L&D 52 is the busiest lock on the inland waterways, and the upcoming main chamber closure will also cause major traffic delays for the Ohio River.

Spread Expands as Ocean Freight Rates Hit Record High for the Year

Ocean freight rates have hit a record high for the year. The rate for shipping grain to Japan through the U.S. Gulf was quoted at $45.63 per metric ton (mt), while the PNW-to-Japan rate was quoted at $33.32 per mt. As of August 22, the ocean rate spread between the two routes increased to over $12. Higher fuel costs and increased Chinese demand for steel and iron ore have contributed to these high ocean freight rates and the expanding spread. The rates are also driven by high expectations in the freight futures market.

Limited Rail Capacity Boosts Secondary Rail Rates

Capacity issues and an expectation that grain exports will continue to remain strong have contributed to sharp increases in **secondary rail car rates**. Non-shuttle rates for September delivery increased $136 from last week while shuttle rates for the week increased $173.50. Non-shuttle rates for October delivery increased $51 from last week while shuttle rates for the week increased $175. Shipper perceptions that Union Pacific (UP) operating problems are limiting its grain capacity contributed to UP rates increasing more than those for BNSF.

Snapshot by Sector

Grain Inspections

For the week ending August 17, inspections in the Gulf increased 33 percent and those in the PNW dropped 26 percent from the previous week. Total grain inspections at all ports increased 8 percent.

Barge

After dropping for 3 consecutive weeks, barge volumes for the week ending August 19 increased slightly to 782 thousand tons. While weekly barge tonnages are at average levels for the comparable time period, year-to-date totals are still 7 percent ahead of 2005 year-to-date totals.

Ocean

Forty-five grain vessels were loaded during the week ending August 17, and 51 vessels were due to arrive during the next 10 days—15 and 11 percent more than the previous year, respectively.

Fuel

The U.S. average **diesel fuel** price for the week ending August 21 was $3.03—1 percent lower than the previous week but 17 percent higher than the same week last year.

Feature Article/Calendar

Surface Transportation Board Seeks Public Comment on Proposed Rail Fuel Surcharge Decision. On August 3, the Surface Transportation Board (STB) issued a proposed decision on rail fuel charges for public comment by September 25, 2006. STB's proposed decision stated that tariff-based surcharges are an unreasonable practice because they do not reflect the increased fuel costs actually incurred for particular shipments. Consequently, under this proposed decision railroads would be required to use fuel surcharge formulas similar to the mileage-based surcharges introduced by BNSF in January 2006. Fuel surcharges would be limited to the incremental changes in fuel costs for a particular movement and railroads would be prohibited from collecting both a fuel surcharge and the Rail Cost Adjustment Factor (RCAF) unless the fuel component is first removed from the RCAF. All railroads would be required to use the price of the Energy Information Administration's U.S. No. 2 Diesel Retail Sales by All Sellers as the index used to measure increases in fuel costs. Finally, each railroad would be required to report fuel usage and surcharge data to the STB on a monthly basis. USDA submitted written comments to the STB regarding the fuel surcharge issue. The decision can be read at: http://www.stb.dot.gov/decisions/readingroom.nsf/51d7c65c6f78e79385256541007f0580/aa662e3d39b2bcad852571bf006dfd3d?OpenDocument.

STB Issues Proposed Rules on Simplified Standards for Rail Rate Appeals. In response to small rail shipper concerns, STB issued proposed simplified standards for rail rate relief on July 28, 2006. The proposed simplified standards for rail rate cases would create a simplified Stand-Alone Cost procedure to use in medium-size rate disputes, retain the current "Three-Benchmark" method of the simplified guidelines with modifications for small rate disputes, and establish eligibility presumptions based on the maximum value of the case to distinguish between large, medium-size, and small rail rate cases. Parties wishing to comment on the proposed rules should file a notice with STB by September 1, 2006. Comments on the proposed rules are due by September 29. The proposed rules can be viewed at: http://www.stb.dot.gov/decisions/readingroom.nsf/51d7c65c6f78e79385256541007f0580/40fb81344ff333ca852571b9004c7a82?OpenDocument.

2006 North American Railroads Customer Forum. The Association of American Railroads (AAR), together with the STB, is holding a rail customer service forum on September 13 at the Renaissance St. Louis Hotel (Airport) in St. Louis, MO. At the forum, railroads will review their ongoing transportation plans and answer customer questions. Shippers are asked to register online by going to the AAR's website, www.aar.org, and following the "2006 Customer Forum" link.

STB to Hold Fall 2006 Public Hearing on Grain Transportation Issues. On June 21, the General Accountability Office (GAO) released "Freight Railroads: Preliminary Observations on Rates, Competition," which is available at http://www.gao.gov/new.items/d06898t.pdf. Following this preliminary report, STB announced plans to hold a public hearing and will announce the date of hearings after the GAO releases its final report in September. In its preliminary report, the GAO noted that grain rail rates have diverged from industry trends and that the amount of grain traffic with comparatively high markups over variable cost increased notably between 1985 and 2004. During the hearing, the STB expects to obtain views and information about the market conditions that led to these findings. In addition, because U.S. grain producers compete in a broader North American and global marketplace, the STB wants information on the relationship between the U.S. and Canadian wheat markets, how the U.S. and Canadian regulatory systems differ, and the impact program differences might have on U.S. grain production.
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Grain Transportation Indicators

Table 1

Grain Transport Cost Indicators[1]

	Truck	Rail[2]	Barge	Ocean	
Week ending				Gulf	Pacific
08/23/06	204	405	322	204	236
08/16/06	206	270	316	202	237

[1]Indicator: Base year 2000 = 100; Weekly updates include truck = diesel ($/gallon); rail = nearby secondary rail market ($/car); barge = spot Illinois River basis (index = percent of tariff rate); and ocean = routes to Japan ($/metric ton)

[2]The rail indicator is not an index. It is the difference between the nearby secondary rail market bid for this week and the average bid for year 2000 (+) 100.

Source: Transportation & Marketing Programs/AMS/USDA

Table 2

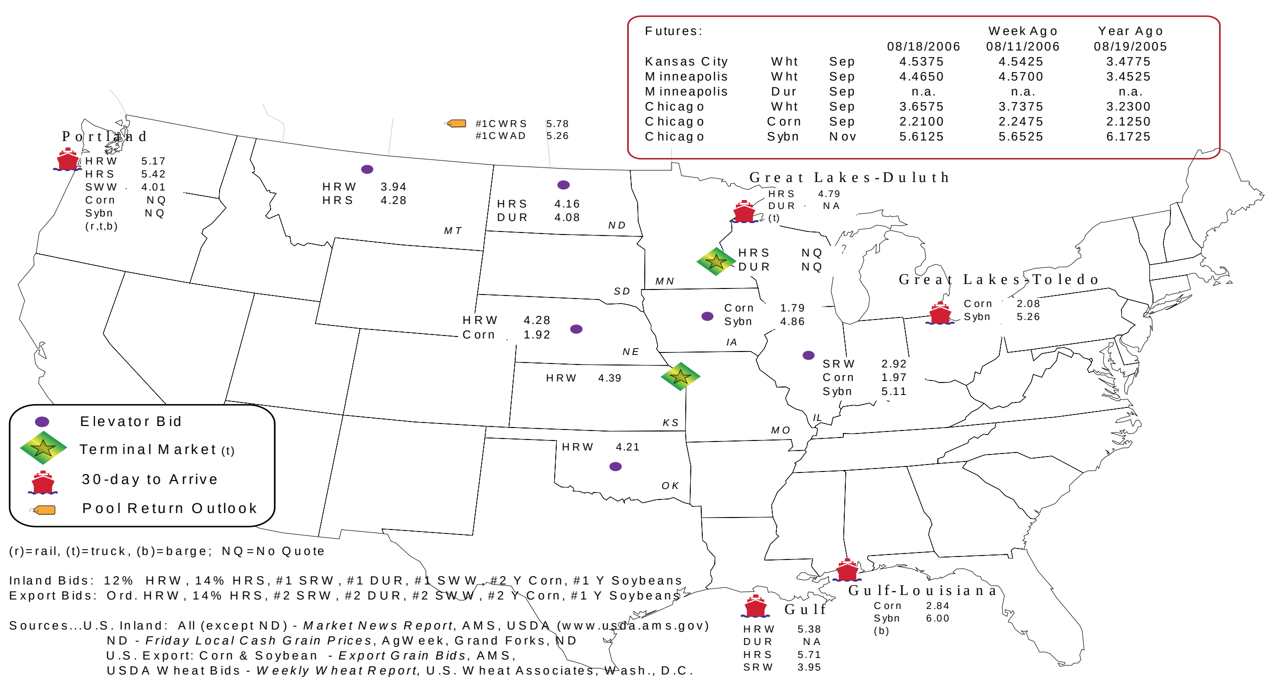
Market Update: U.S. Origins to Export Position Price Spreads ($/bushel)

Commodity	Origin--Destination	8/18/2006	8/11/2006
Corn	IL--Gulf	-0.87	-0.91
Corn	NE--Gulf	-0.92	-0.97
Soybean	IA--Gulf	-1.14	-1.10
HRW	KS--Gulf	-0.99	-0.97
HRS	ND--Portland	-1.26	-1.25

Note: nq = no quote
Source: Transportation & Marketing Programs/AMS/USDA

The **grain bid summary** illustrates the market relationships for commodities. Positive and negative adjustments in differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.

Figure 1
Grain bid summary



Rail Transportation

Table 3
Rail Deliveries to Port (carloads)[1]

Week ending	Mississippi Gulf [2]	Texas Gulf	Cross-Border Mexico	Pacific Northwest	Atlantic & East Gulf	Total
8/16/2006[p]	1,631	1,884	771	3,996	547	8,829
8/09/2006[r]	2,446	982	450	4,603	471	8,044
2006 YTD	51,411	66,235	27,765	134,102	14,709	294,222
2005 YTD	28,385	57,799	40,407	137,908	7,938	272,437
2006 YTD as % of 2005 YTD	181	115	69	97	185	108
Last 4 weeks as % of 2005 [3]	574	59	64	114	935	116
Last 4 weeks as % of 4-year avg.[3]	n/a	73	69	164	281	n/a
Total 2005	50,696	99,079	61,151	224,079	15,690	450,695
Total 2004	41,957	93,500	58,843	208,334	10,957	407,143

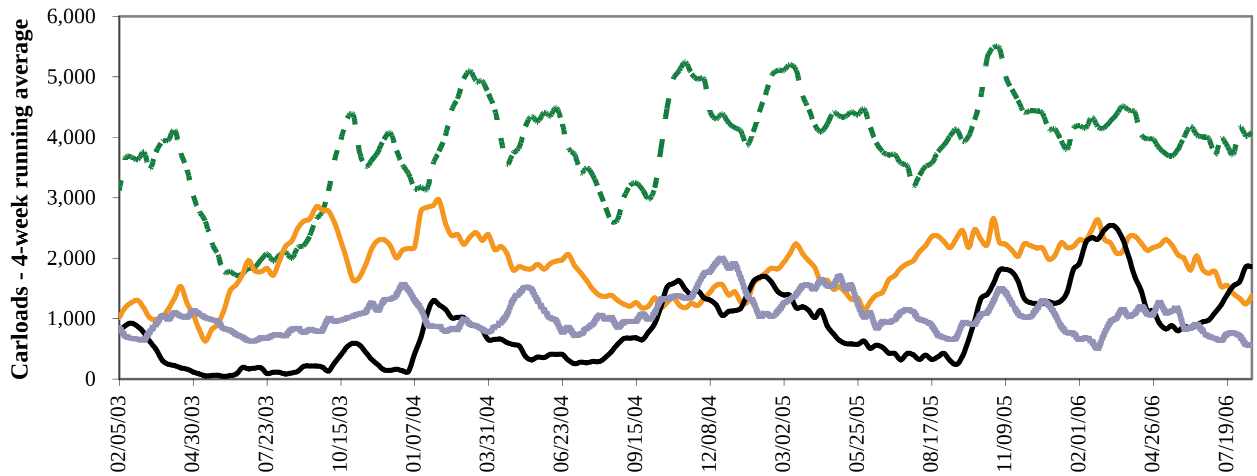
[1] Data is incomplete as it is voluntarily provided; [2] Mississippi Gulf data back to January, 2004 from several new sources has been added resulting in large increases in the numbers reported; [3] Compared with same 4-weeks in 2005 and prior 4-year average; [4] Includes 53rd week.

YTD = year-to-date; p = preliminary data; r = revised data; n/a = not available

Source: Transportation & Marketing Programs/AMS/USDA

Railroads originate approximately 33 percent of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Figure 2
Rail Deliveries to Port



Pacific Northwest: 4 Wks. ending 8/16-- up 14 % from same period last year; up 64 % from 4-year average
Texas Gulf: 8/16-- down 41 % from same period last year; down 27 % from 4-year average
Miss. River: 8/16--up 474 % from same period last year; 4-year average not available
Cross-border Mexico: 8/16--down 36 % from same period last year; down 31 % from 4-year average

Source: Transportation & Marketing Programs/AMS/USDA

Table 4

Class I Rail Carrier Grain Car Bulletin (grain carloads originated)

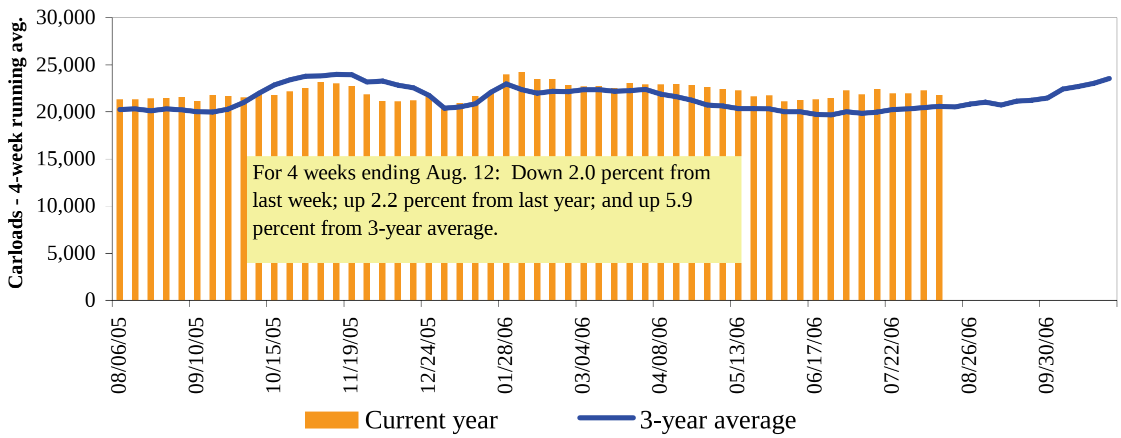
	East		West			U.S. total	Canada	
Week ending	CSXT	NS	BNSF	KCS	UP		CN	CP
08/12/06	3,102	2,917	9,814	464	5,032	21,329	5,046	4,141
This week last year	2,481	2,853	9,295	638	6,172	21,439	4,011	4,227
2006 YTD	99,022	103,488	310,401	18,082	188,152	719,145	151,643	139,271
2005 YTD	94,211	104,591	289,475	18,516	191,146	697,939	131,544	128,239
2006 YTD as % of 2005 YTD	105	99	107	98	98	103	115	109
Last 4 weeks as % of 2005[1]	119	110	107	108	84	102	126	100
Last 4 weeks as % of 3-yr avg.[1]	123	105	119	106	82	106	126	100
Total 2005	152,060	167,465	476,033	27,459	307,170	1,130,187	225,817	215,145

[1]As a percent of the same period in 2005 and the prior 3-year average. YTD = year-to-date.

Source: Association of American Railroads (www.aar.org)

Figure 3

Total Weekly U.S. Class I Railroad Grain Car Loadings



Source: Association of American Railroads

Table 5

Rail Car Auction Offerings[1] ($/car)[2]

Week ending	Delivery period									
8/19/2006	Aug-06	Aug-05	Sep-06	Sep-05	Oct-06	Oct-05	Nov-06	Nov-05	Dec-06	Dec-05
BNSF[3]										
COT grain units	no offer	n/a	no offer	n/a	no offer	no offer	no offer	322	no offer	265
COT grain single-car[5]	no offer	n/a	no offer	n/a	no offer	n/a	no offer	n/a	0..7	n/a
UP[4]										
GCAS/Region 1	no offer	n/a	no offer	n/a	no offer	281	no offer	no offer	no offer	no offer
GCAS/Region 2	no offer	n/a	no offer	n/a	no offer	341	no offer	no offer	no offer	no offer

[1]Auction offerings are for single-car and unit train shipments only.

[2]Average premium/discount to tariff, last auction

[3]BNSF - COT = Certificate of Transportation; N. grain and S. grain bids were combined effective the week ending 6/24/06.

[4]UP - GCAS = Grain Car Allocation System

Region 1 includes: AR, IL, LA, MO, NM, OK, TX, WI, and Duluth, MN.

Region 2 includes: CO, IA, KS, MN, NE, WY, and Kansas City and St. Joseph, MO.

[5]Range is shown because average is not available. Not available = n/a.

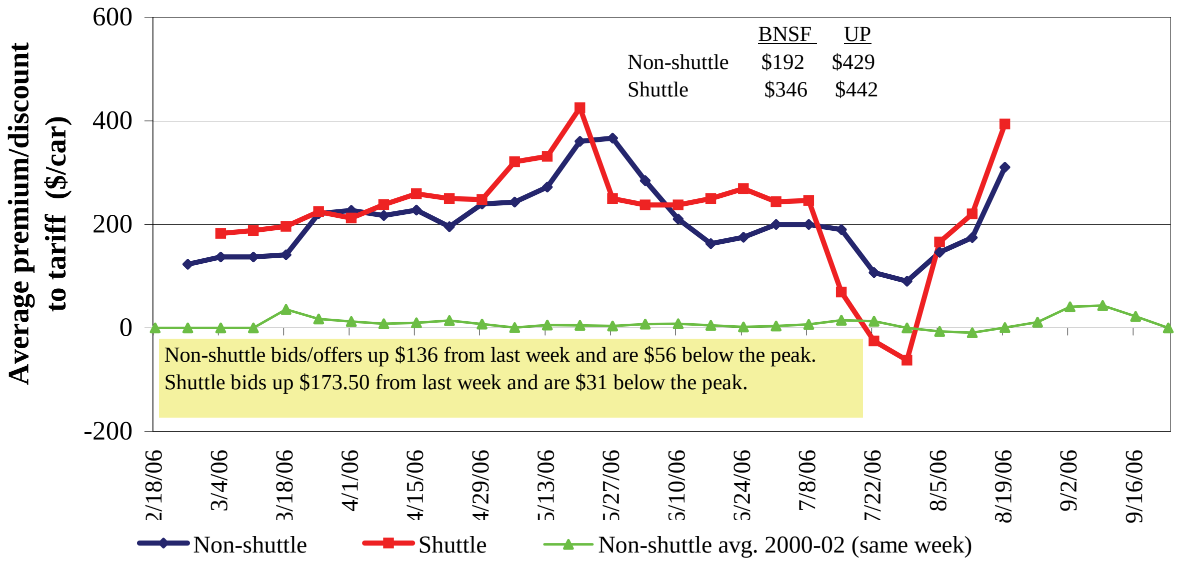
Source: Transportation & Marketing Programs/AMS/USDA. n/a = not applicable

Rail service may be ordered directly from the railroad via **auction** for guaranteed service, or via tariff for nonguaranteed service, or through the secondary railcar market.

The **secondary rail market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The **auction and secondary rail** values are indicators of rail service quality and demand/supply.

Figure 4

Bids/Offers for Railcars to be Delivered in September 2006, Secondary Market

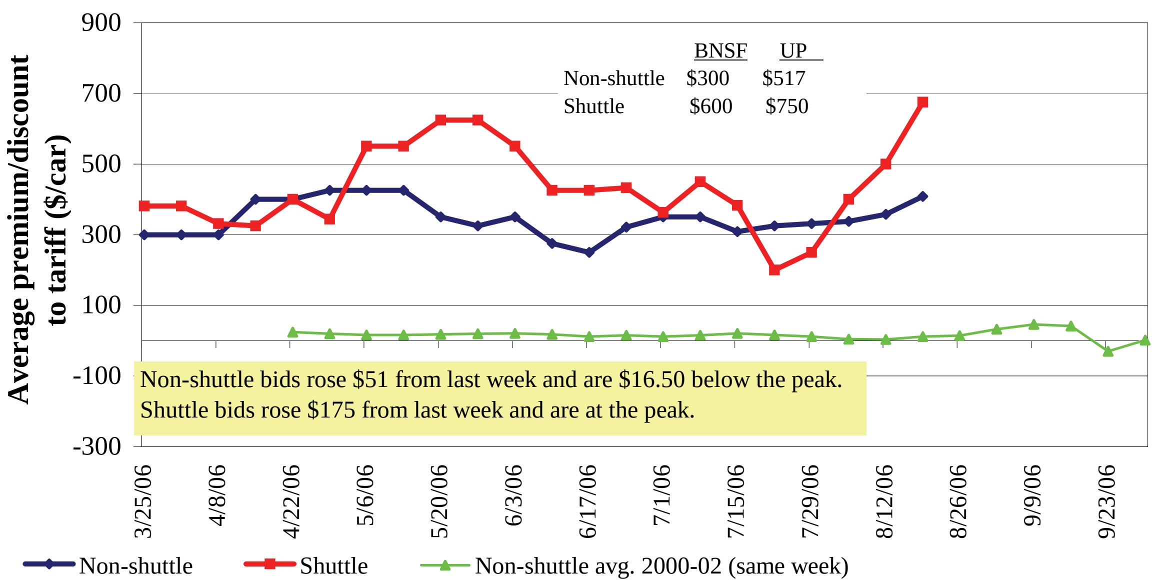


Non-shuttle bids include unit-train and single-car bids.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 5

Bids/Offers for Railcars to be Delivered in October 2006, Secondary Market

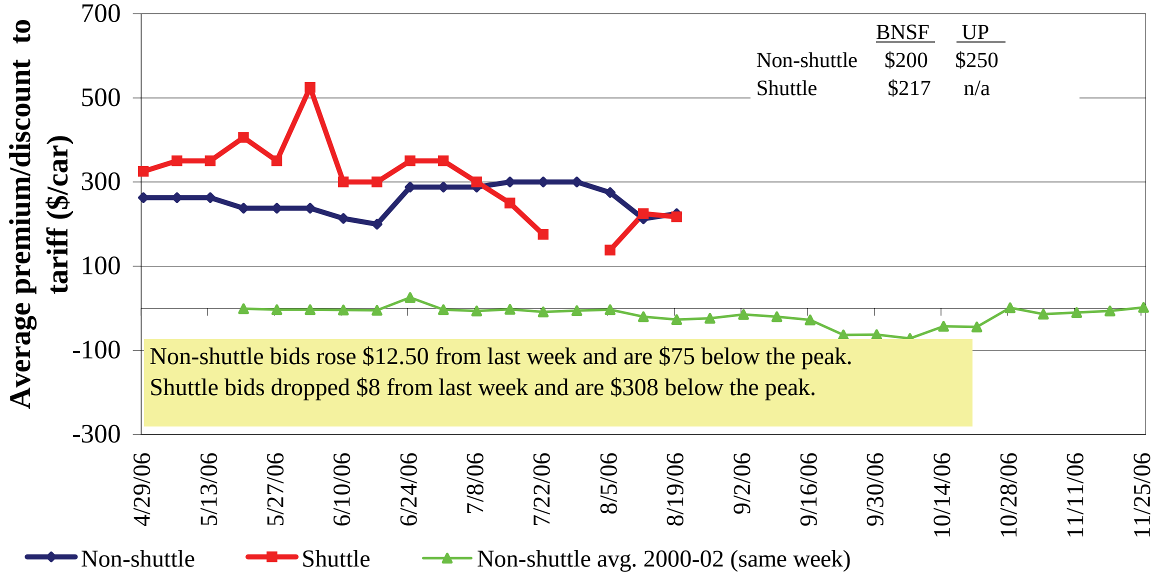


Non-shuttle bids include unit-train and single-car bids.

Source: Transportation & Marketing Programs/AMS/USDA

Figure 6

Bids/Offers for Railcars to be Delivered in November 2006, Secondary Market



Non-shuttle bids include unit-train and single-car bids.

Source: Transportation & Marketing Programs/AMS/USDA

Table 6

Weekly Secondary Rail Car Market ($/car)[1]

Week ending	**Delivery period**					
8/19/2006	**Sep-06**	**Oct-06**	**Nov-06**	**Dec-06**	**Jan-07**	**Feb-07**
Non-shuttle						
BNSF-GF	192	300	200	138	n/a	n/a
Change from last week	106	0	0	13	n/a	n/a
Change from same week 2005	n/a	-150	-198	-212	n/a	n/a
UP-Pool	429	517	250	250	n/a	n/a
Change from last week	166	102	25	25	n/a	n/a
Change from same week 2005	n/a	167	-50	-25	n/a	n/a
Shuttle[2]						
BNSF-GF	346	600	217	-50	n/a	n/a
Change from last week	119	150	-8	-150	n/a	n/a
Change from same week 2005	n/a	n/a	n/a	n/a	n/a	n/a
UP-Pool	442	750	n/a	n/a	n/a	n/a
Change from last week	228	200	n/a	n/a	n/a	n/a
Change from same week 2005	n/a	n/a	n/a	n/a	n/a	n/a

[1]Average premium/discount to tariff, $/car-last week

[2]Shuttle bids are a new data series; prior to this we provided only non-shuttle rates.

Note: Bids listed are market INDICATORS only & are NOT guaranteed prices,
Missing value = n/a; GF = guaranteed freight; Pool = guaranteed pool

Sources: Transportation and Marketing Programs/AMS/USDA

Data from Atwood/ConAgra, Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.

Table 7

Tariff Rail Rates for Unit and Shuttle Train Shipments[1]

Effective date: 8/7/2006	Origin region	Destination region	Rate/car	As % of same month last year	Rate per metric ton	Rate per bushel[2]
Unit train[1]						
Wheat	Chicago, IL	Albany, NY	$1,861	100	$20.51	$0.56
	Kansas City, MO	Galveston, TX	$2,120	105	$23.37	$0.64
	South Central, KS	Galveston, TX	$2,550	104	$28.11	$0.77
	Minneapolis, MN	Houston, TX	$3,020	125	$33.29	$0.91
	St. Louis, MO	Houston, TX	$2,460	104	$27.12	$0.74
	South Central, ND	Houston, TX	$4,349	116	$47.94	$1.30
	Minneapolis, MN	Portland, OR	$3,840	91	$42.33	$1.15
	South Central, ND	Portland, OR	$3,840	91	$42.33	$1.15
	Northwest, KS	Portland, OR	$4,490	102	$49.49	$1.35
	Chicago, IL	Richmond, VA	$2,161	108	$23.82	$0.65
Corn	Chicago, IL	Baton Rouge, LA	$2,610	104	$28.77	$0.73
	Council Bluffs, IA	Baton Rouge, LA	$2,470	104	$27.23	$0.69
	Kansas City, MO	Dalhart, TX	$2,365	120	$26.07	$0.66
	Minneapolis, MN	Portland, OR	$3,200	89	$35.27	$0.90
	Evansville, IN	Raleigh, NC	$1,961	109	$21.62	$0.55
	Columbus, OH	Raleigh, NC	$1,850	109	$20.39	$0.52
	Council Bluffs, IA	Stockton, CA	$3,606	100	$39.75	$1.01
Soybeans	Chicago, IL	Baton Rouge, LA	$2,655	108	$29.27	$0.80
	Council Bluffs, IA	Baton Rouge, LA	$2,515	109	$27.72	$0.75
	Minneapolis, MN	Portland, OR	$3,610	100	$39.79	$1.08
	Evansville, IN	Raleigh, NC	$1,961	109	$21.62	$0.59
	Chicago, IL	Raleigh, NC	$2,561	107	$28.23	$0.77
Shuttle train[1]						
Wheat	St. Louis, MO	Houston, TX	$1,920	105	$21.16	$0.58
	Minneapolis, MN	Portland, OR	$3,640	93	$40.12	$1.09
Corn	Fremont, NE	Houston, TX	$2,196	82	$24.21	$0.61
	Minneapolis, MN	Portland, OR	$3,096	90	$34.13	$0.87
Soybeans	Council Bluffs, IA	Houston, TX	$2,412	87	$26.59	$0.72
	Minneapolis, MN	Portland, OR	$3,170	93	$34.94	$0.95

[1]A unit train refers to shipments of at least 52 cars. Shuttle train rates are available for qualified shipments of more than 100 cars that meet railroad efficiency requirements.

[2]Approximate load per car = 100 short tons: corn 56 lbs./bu., wheat & soybeans 60 lbs./bu.

Sources: www.bnsf.com, www.cpr.ca, www.csx.com, www.uprr.com

Table 8

Tariff Rail Rates for U.S. Bulk Grain Shipments to U.S.-Mexico Border Crossings

Effective date: 08/07/06					**As % of**		
Commodity	**Origin state**	**Border crossing region**	**Train size**[1]	**Tariff rate**[2]	**same month last year**	**Rate per metric ton**	**Rate per bushel**[3]
Wheat	KS	Brownsville, TX	Shuttle	$2,959	104	$30.23	$0.82
	ND	Eagle Pass, TX	Unit	$4,474	83	$45.71	$1.24
	OK	El Paso, TX	Shuttle	$2,235	99	$22.84	$0.62
	OK	El Paso, TX	Unit	$2,540	104	$25.95	$0.71
	AR	Laredo, TX	Unit	$2,600	109	$26.57	$0.72
	IL	Laredo, TX	Unit	$3,405	107	$34.79	$0.95
	MT	Laredo, TX	Shuttle	$3,980	93	$40.67	$1.11
	TX	Laredo, TX	Shuttle	$2,274	105	$23.23	$0.63
	MO	Laredo, TX	Shuttle	$2,840	104	$29.02	$0.79
	WI	Laredo, TX	Unit	$3,623	106	$37.02	$1.01
Corn	NE	Brownsville, TX	Shuttle	$3,543	114	$36.20	$0.92
	NE	Brownsville, TX	Unit	$3,623\[4]	99	$37.02	$0.94
	IA	Eagle Pass, TX	Unit	$3,773	113	$38.55	$0.98
	MO	Eagle Pass, TX	Shuttle	$3,364\[4]	111	$34.37	$0.87
	NE	Eagle Pass, TX	Shuttle	$3,764\[4]	109	$38.46	$0.98
	IA	Laredo, TX	Shuttle	$3,696	113	$37.76	$0.96
Soybean	IA	Brownsville, TX	Shuttle	$3,318	115	$33.90	$0.92
	MN	Brownsville, TX	Shuttle	$3,614	114	$36.93	$1.00
	NE	Brownsville, TX	Shuttle	$3,127	116	$31.95	$0.87
	NE	Eagle Pass, TX	Shuttle	$3,203	116	$32.73	$0.89
	IA	Laredo, TX	Unit	$3,357	115	$34.30	$0.93

[1]A unit train refers to shipments of at least 52 cars. Shuttle train are available for qualified shipments of more than 100 cars that meet railroad efficiency requirements.

[2]Rates are based upon published tariff rates for high-capacity rail cars.

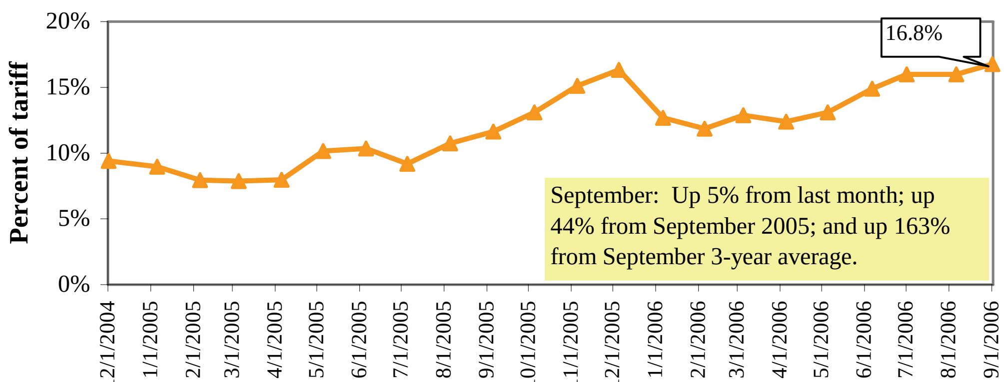
[3]Approximate load per car = 97.87 metric tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

[4]High-capacity rate not available, rate estimated using published low-capacity tariff rate x 1.08

Sources: www.bnsf.com, www.uprr.com

Figure 7

Railroad Fuel Surcharges, North American Weighted Average[1]



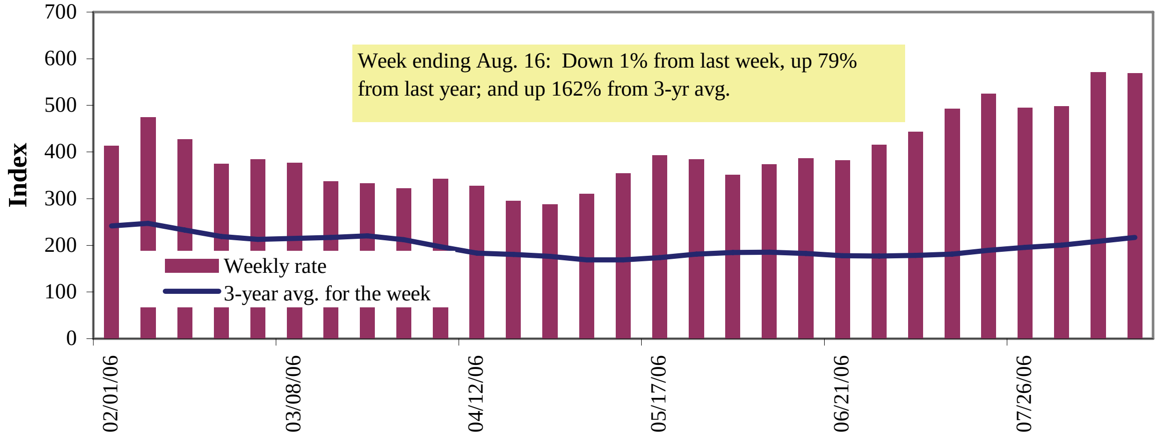
[1] Weighted by each Class I railroad's proportion of grain traffic for the prior year.

Sources: www.bnsf.com, www.cn.ca, www8.cpr.ca, www.csx.com, www.kcsi.com, www.nscorp.com, www.uprr.com

Barge Transportation

Figure 8

Illinois River Barge Rate Index - Quotes[1,2]



[1] Index = percent of tariff rate; [2]4-week moving average for the 3-year average

Source: Transportation & Marketing Programs/AMS/USDA

Table 9

Weekly Barge Rate Quotes: Southbound Barge Freight

		Twin Cities	Mid-Mississippi	Illinois River	St. Louis	Cincinnati	Lower Ohio	Cairo-Memphis
Index[1]	8/16/2006	570	571	569	553	557	557	551
	8/9/2006	595	566	572	560	551	551	568
$/ton	8/16/2006	35.28	30.38	26.40	22.06	26.12	22.50	17.30
	8/9/2006	36.83	30.11	26.54	22.34	25.84	22.26	17.84
Current week % change from the same week:								
	Last year	48	79	79	69	78	76	67
	3-year avg. [2]	116	151	162	175	183	181	192
Index	September	636	640	638	638	650	651	646
	November	594	640	638	638	650	651	646

[1]Index = percent of tariff, based on 1976 tariff benchmark rate; [2]4-week moving average.

Source: Transportation & Marketing Programs/AMS/USDA

Calculating barge rate per ton:
(Index * 1976 tariff benchmark rate per ton)/100

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map (see figure 9).

Note: The Illinois barge rate is for Beardstown, IL, La Grange Lock & Dam (L&D 8). The index, along with rate quotes and futures market bids are indicators of grain transport supply and demand.

Figure 9

Benchmark tariff rates

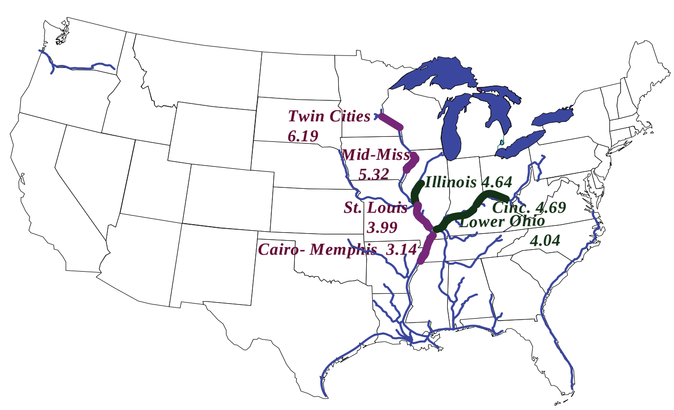
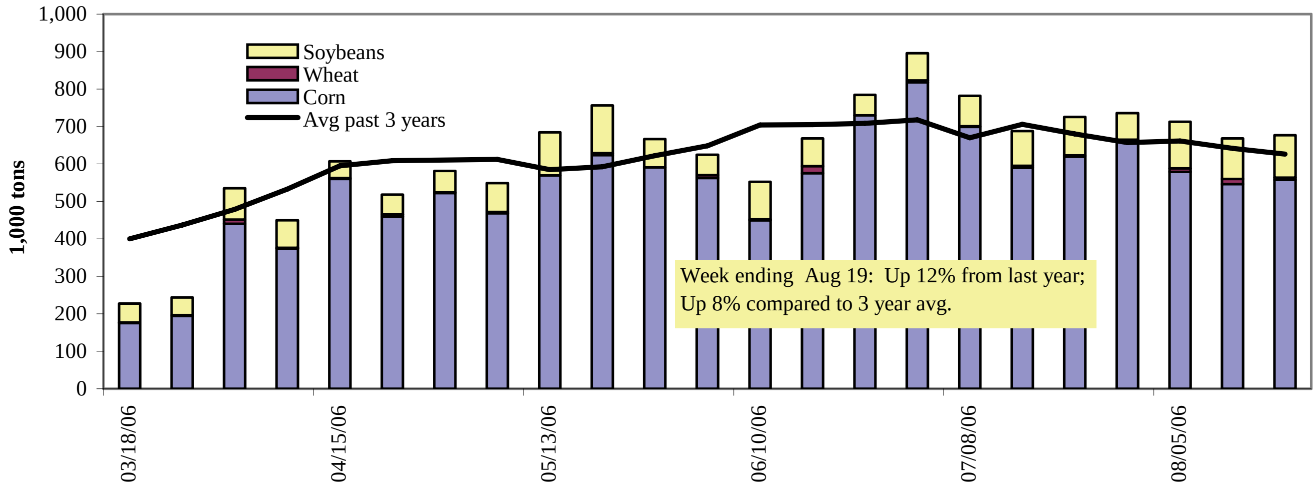


Figure 10

Barge Movements on the Mississippi River[1] (Locks 27 - Granite City, IL)



[1] The 3-year average is a 4-week moving average.

Source: Transportation & Marketing Programs/AMS/USDA

Table 10

Barge Grain Movements (1,000 tons)

Week ending 8/19/2006	Corn	Wheat	Soybean	Other	Total
Mississippi River					
Rock Island, IL (L15)	216	9	24	0	250
Winfield, MO (L25)	306	4	50	0	361
Alton, IL (L26)	504	6	96	2	607
Granite City, IL (L27)	557	6	114	2	679
Illinois River (L8)	147	0	35	0	181
Ohio River (L52)	42	17	14	0	72
Arkansas River (L1)	0	20	3	8	31
Weekly total - 2006	600	42	130	13	782
Weekly total - 2005	15	48	104	2	706
2006 YTD[1]	17,639	881	4,112	460	23,092
2005 YTD	15,530	1,145	4,487	457	21,619
2006 as % of 2005 YTD	114	77	92	101	107
Last 4 weeks as % of 2005[2]	98	100	142	99	103
Total 2005	23,761	1,620	7,276	731	33,388

[1] Weekly total, YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

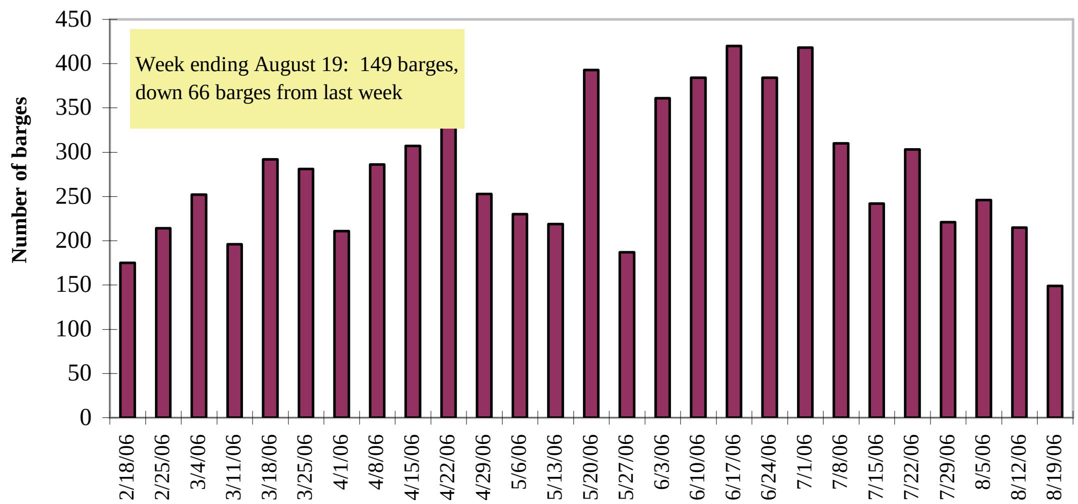
[2] As a percent of same period in 2005.

Note: Total may not add exactly, due to rounding

Source: U.S. Army Corps of Engineers (www.mvr.usace.army.mil/mvrimi/omni/webrpts/default.asp)

Figure 11

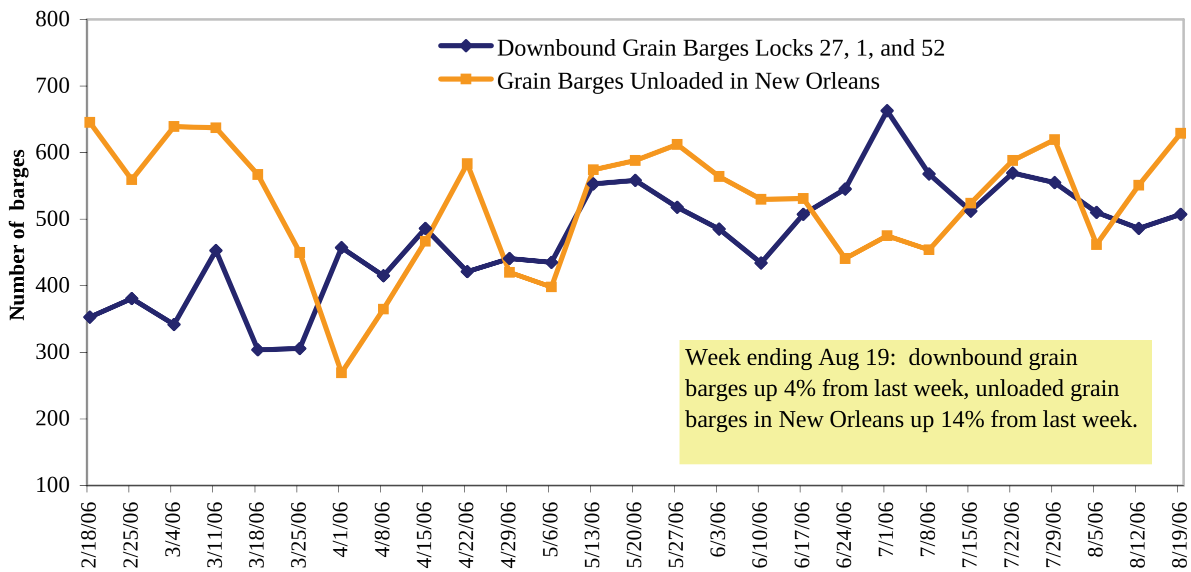
Upbound Empty Barges Transiting Mississippi River Lock 27



Source: Army Corps of Engineers

Figure 12

Grain Barges for Export in New Orleans Region



Source: Army Corps of Engineers and GIPSA

Truck Transportation

The **weekly diesel price** provides a proxy for trends in U.S. truck rates. Diesel fuel is a significant expense for truck grain movements, accounting for 37 percent of the estimated variable cost.

Table 11

Retail on-Highway Diesel Prices[1], Week Ending 8/21/06 (US$/gallon)

Region	Location	Price	Change from Week ago	Change from Year ago
I	East Coast	2.953	-0.064	0.389
	New England	3.049	-0.028	0.407
	Central Atlantic	3.078	-0.052	0.424
	Lower Atlantic	2.890	-0.074	0.371
II	Midwest[1]	3.041	-0.024	0.501
III	Gulf Coast[2]	2.923	-0.051	0.411
IV	Rocky Mountain	3.349	0.038	0.670
V	West Coast	3.237	0.019	0.340
	California	3.221	0.001	0.184
Total	U.S.	3.033	-0.032	0.445

[1]Diesel fuel prices include all taxes.

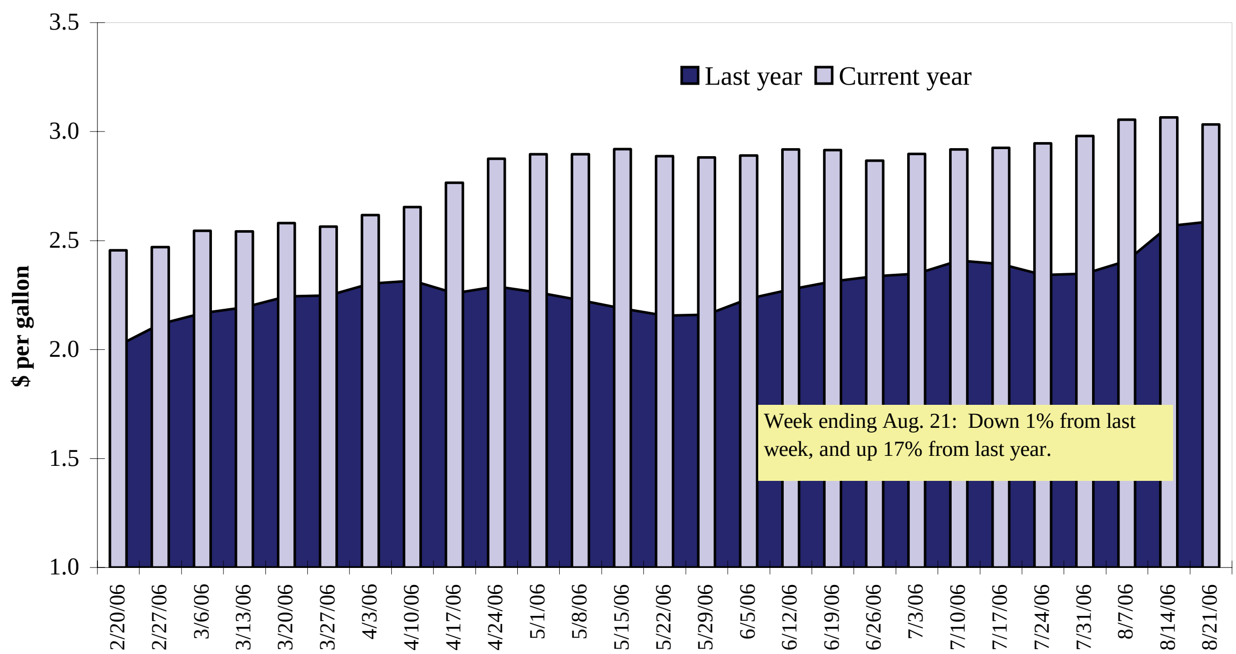
[2]Same as North Central

[3]Same as South Central

Source: Energy Information Administration/U.S. Department of Energy (www.eia.doe.gov)

Figure 13

Weekly Diesel Fuel Prices, U.S. Average



Source: Retail On-Highway Diesel Prices, Energy Information Administration, Dept. of Energy

Grain Exports

Table 12

U.S. Export Balances and Cumulative Exports (1,000 metric tons)

	Wheat						Corn	Soybeans	Total
Week ending[1]	HRW	SRW	HRS	SWW	DUR	All wheat			
Export Balances									
8/10/2006	887	405	1,135	756	268	3,451	6,306	1,733	11,490
This week year ago	2,045	303	1,191	708	103	4,350	4,330	901	9,581
Cumulative exports-crop year[2]									
2005/06 YTD	1,160	674	1,344	874	165	4,216	50,457	24,497	79,170
2004/05 YTD	2,133	490	1,541	487	184	4,835	43,081	29,538	77,454
YTD 2005/06 as % of 2004/05	54	138	87	179	90	87	117	83	102
Last 4 wks as % of same period 2004/05	45	151	91	104	270	80	160	198	127
2004/05 Total	9,407	3,217	8,083	4,773	686	26,117	44,953	29,878	100,948
2003/04 Total	12,697	3,785	6,928	4,895	1,053	29,359	47,704	24,108	101,171

[1] Current unshipped export sales to date

[2] Shipped export sales to date, new crop year now in efect for wheat

Note: YTD = year-to-date. Crop year: wheat = 6/01-5/31, corn & soybeans = 9/01-8/31

Source: Foreign Agricultural Service/USDA (www.fas.usda.gov)

Table 13

Top 5 Importers[1] of U.S. Corn

Week ending 08/10/06	**Total Commitments**[2]			**% change**	**Exports**[3]
	2006/07	**2005/06**	**2004/05**	**current CY**	
Crop Year (CY)	**Next CY**	**Current CY**	**Last CY**	**from last CY**	**2004/05**
		- 1,000 mt -			**- 1,000 mt -**
Japan	2,326	17,126	16,239	5	16,429
Mexico	664	7,082	6,230	14	6,278
Taiwan	143	5,660	4,633	22	4,690
Egypt	120	4,171	4,458	(6)	4,563
Korea	231	5,611	2,121	165	2,268
Top 5 importers	**3,484**	**39,650**	**33,681**	**18**	**32,143**
Total US corn export sales	**4,983**	**56,763**	**47,411**	**20**	
Top 5 importers' share of U.S. corn export sales	70%	70%	71%		
USDA forecast, Aug. 2006	**54,610**	**53,340**	**46,180**	**16**	
Corn Use for Ethanol USDA forecast, Aug. 2006	**54,610**	**40,640**	**33,606**	**21**	

(n) indicates negative number.

[1]Based on FAS 2004/05 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Sep 1 - Aug 31.

[2]Cumulative Exports (shipped) + Outstanding Sales (unshipped); FAS Weekly Export Sales Report.

[3] FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 14

Top 5 Importers[1] of U.S. Soybeans

Week ending 08/10/06	Total Commitments[2]			% change	Exports[3]
	2006/07	2005/06	2004/05	current CY	
Crop Year (CY)	Next CY	Current CY	Last CY	from last CY	2004/05
		- 1,000 mt -			- 1,000 mt -
China	2,149	9,872	11,851	(17)	11,850
Mexico	121	3,702	3,528	5	3,579
Japan	498	3,088	3,222	(4)	3,289
Taiwan	56	2,034	1,548	31	1,585
Indonesia	0	1,218	1,021	19	1,079
Top 5 importers	**2,824**	**19,912**	**21,169**	(6)	**21,382**
Total US soybean export sales	**4,204**	**26,229**	**30,439**	**(14)**	
Top 5 importers' share of U.S. soybean export sales	67%	76%	70%		
USDA forecast, Aug. 2006	**29,670**	**25,310**	**29,856**	**(15)**	

(n) indicates negative number.

[1]Based on FAS 2004/05 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Sep 1 - Aug 31.

[2]Cumulative Exports (shipped) + Outstanding Sales (unshipped).

[3] FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 15

Top 10 Importers[1] of All U.S. Wheat

Week ending 08/10/06	Total Commitments[2]		% change	Exports[3]
	2006/07	2005/06	current CY	
Crop Year (CY)	Current CY	Last CY	from last CY	2005/06
	- 1,000 mt -			- 1,000 mt -
Nigeria	845	1,405	(40)	3,098
Japan	1,163	1,068	9	3,061
Mexico	772	1,073	(28)	2,625
Iraq	0	495	(100)	1,237
Philippines	900	515	75	1,878
Egypt	466	411	13	1,952
Korea, South	459	418	10	1,191
Venezuela	270	265	2	1,085
Taiwan	336	227	48	953
Italy	316	236	34	748
Top 10 importers	**4,681**	**4,708**	**(1)**	**17,827**
Total US wheat export sales	**7,667**	**9,185**	**(17)**	
Top 10 importers' share of U.S. wheat export sales	61%	51%		
USDA forecast, Aug. 2006	**24,490**	**27,460**	**(11)**	

(n) indicates negative number.

[1]Based on FAS 2005/06 Marketing Year Ranking Reports - www.fas.usda.gov; Marketing year = Jun 1 - May 31.

[2]Cumulative Exports (shipped) + Outstanding Sales (unshipped); FAS Weekly Export Sales Report.

[3] FAS Marketing Year Final Reports - www.fas.usda.gov/export-sales/myfi_rpt.htm.

Table 16

Grain Inspections for Export by U.S. Port Region (1,000 metric tons)

Port regions	Week ending 08/17/06	2006 YTD[1]	2005 YTD[1]	2006 YTD as % of 2005 YTD	Last 4-weeks as % of 2005	Last 4-weeks as % of 3-yr. avg.	Total[1] 2005
Pacific Northwest							
Wheat	171	6,833	6,239	110	94	84	10,801
Corn	170	6,766	6,571	103	111	140	10,130
Soybeans	65	2,982	3,435	87	771	656	6,225
Total	**406**	**16,581**	**16,246**	**102**	**118**	**125**	**27,156**
Mississippi Gulf							
Wheat	101	2,631	3,384	78	76	56	4,643
Corn	810	22,872	17,705	129	138	141	28,202
Soybeans	229	8,388	8,821	95	158	155	14,793
Total	**1,140**	**33,891**	**29,910**	**113**	**132**	**127**	**47,638**
Texas Gulf							
Wheat	77	3,736	4,367	86	48	52	7,743
Corn	45	1,475	337	438	366	868	812
Soybeans	0	27	6	470	n/a	0	36
Total	**123**	**5,239**	**4,710**	**111**	**62**	**69**	**8,591**
Great Lakes							
Wheat	8	734	1,027	72	48	53	2,067
Corn	58	1,050	276	381	1,124	361	796
Soybeans	0	62	27	227	n/a	246	828
Total	**66**	**1,846**	**1,330**	**139**	**186**	**153**	**3,691**
Atlantic							
Wheat	0	311	168	186	127	380	301
Corn	4	488	58	843	1,796	4,197	249
Soybeans	0	298	445	67	0	416	801
Total	**4**	**1,098**	**671**	**164**	**200**	**416**	**1,352**
U.S. total from ports[2]							
Wheat	358	14,246	15,184	94	71	67	25,556
Corn	1,087	32,652	24,947	131	143	153	40,189
Soybeans	294	11,757	12,734	92	202	194	22,683
Total	**1,739**	**58,655**	**52,866**	**111**	**122**	**123**	**88,428**

[1] Includes weekly revisions

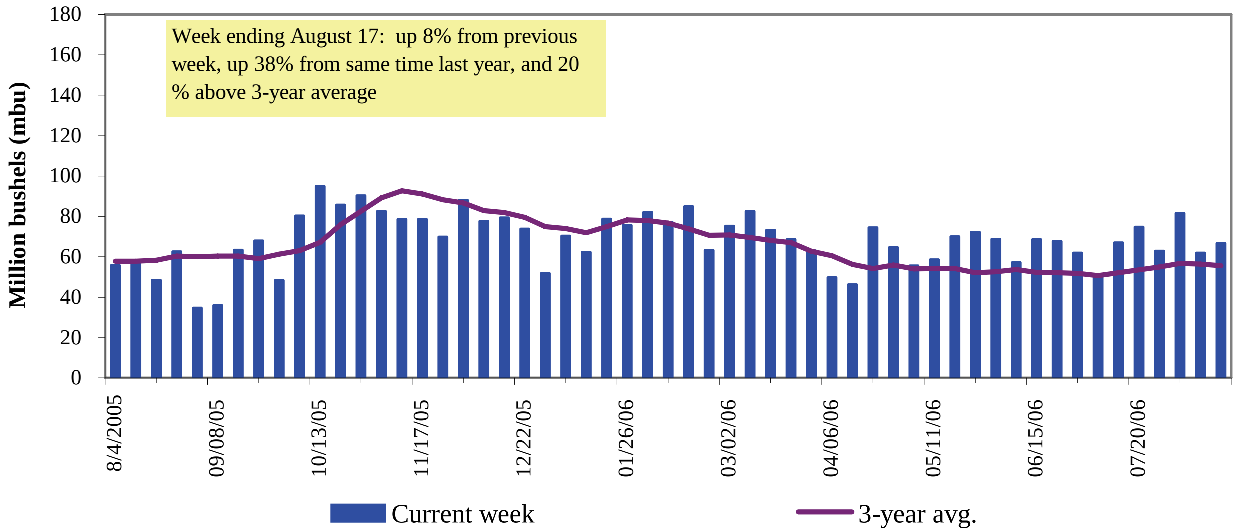
[2] Total includes only port regions shown above

Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov); YTD= year-to-date; n/a = not applicable

The United States exports approximately one-quarter of the grain it produces. On average, it includes nearly 45 percent of U.S.-grown wheat, 35 percent of U.S.-grown soybeans, and 20 percent of the U.S.-grown corn. Approximately 49 percent of these U.S. export grain shipments departed through the Mississippi Gulf region in 2005.

Figure 14

U.S. grain inspected for export (wheat, corn, and soybeans)

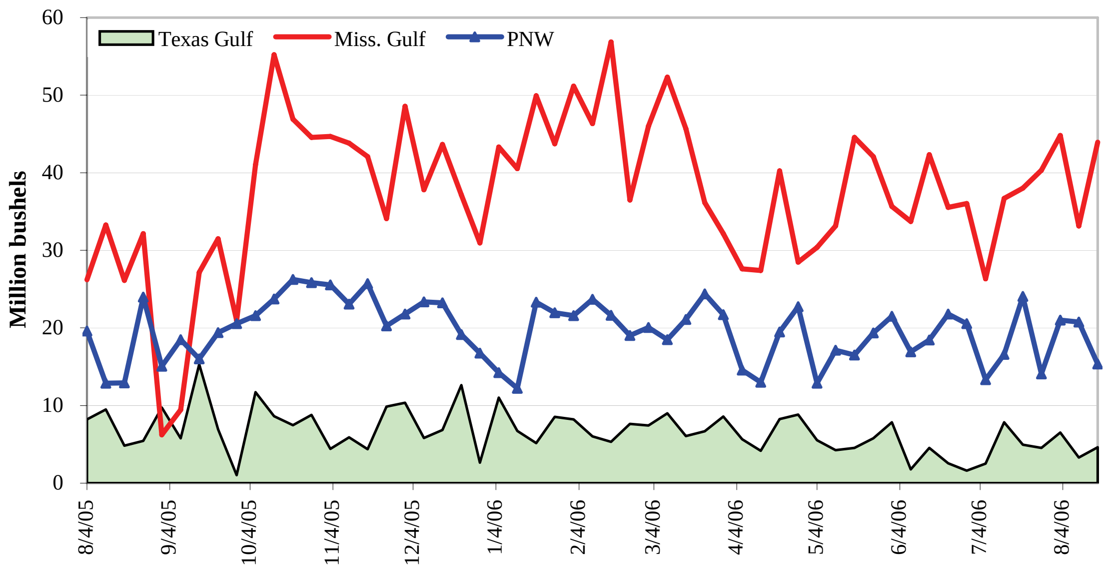


Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

Note: 3-year average consists of 4-week running average

Figure 15

Weekly U.S. Grain Inspections: U.S. Gulf and PNW (wheat, corn, and soybeans)



Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

Aug. 17, % change from:	MS Gulf	TX Gulf	U.S. Gulf	PNW
Last week	up 33	up 39	up 33	down 26
Last year (same week)	up 68	down 4	up 57	up 19
3-yr avg. (4-wk run. avg)	up 39	down 29	up 26	up 6

Ocean Transportation

Table 17

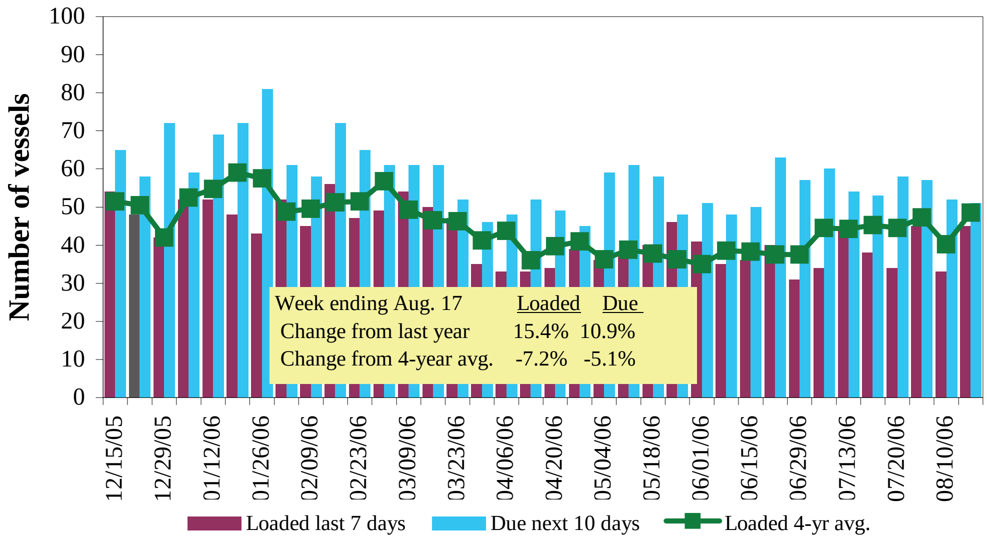
Weekly Port Region Grain Ocean Vessel Activity (number of vessels)

	Gulf			Pacific Northwest	Vancouver B.C.
Date	In port	Loaded 7-days	Due next 10-days	In port	In port
8/17/2006	32	45	51	5	3
8/10/2006	37	33	52	4	2
2005 range	(11..57)	(10..56)	(18..76)	(2..16)	(0..17)
2005 avg.	27	39	53	9	7

Source: Transportation & Marketing Programs/AMS/USDA

Figure 16

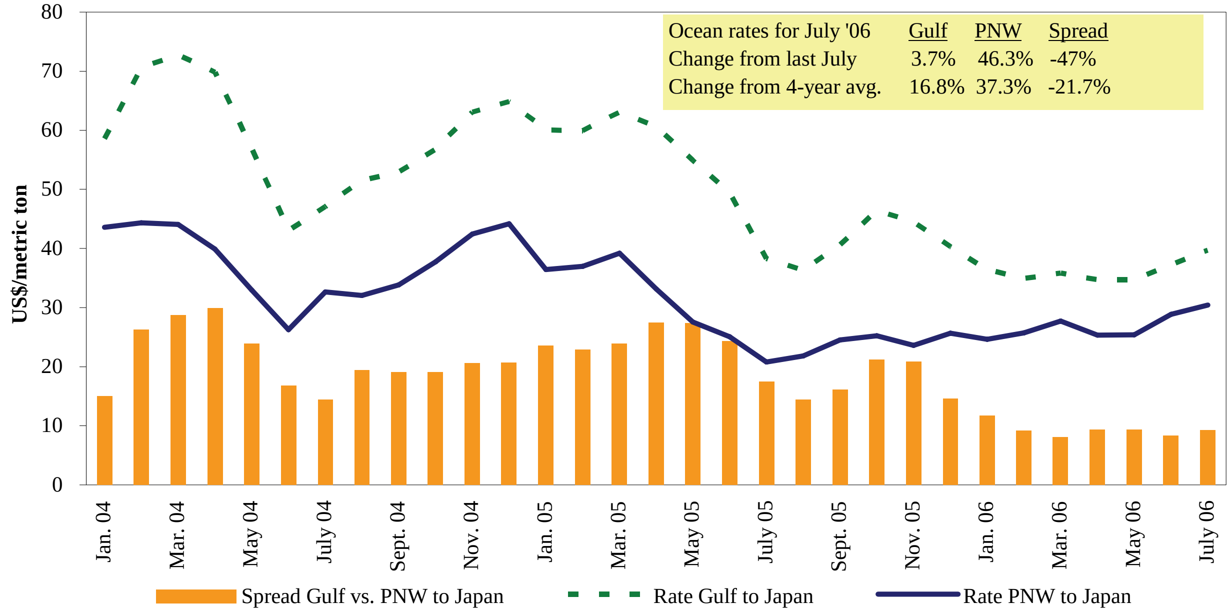
U.S. Gulf[1] Vessel Loading Activity, 2005/06



Source:Transportation & Marketing Programs/AMS/USDA

[1]U.S. Gulf includes Mississippi, Texas, and East Gulf.

Figure 17
Grain Vessel Rates, U.S. to Japan



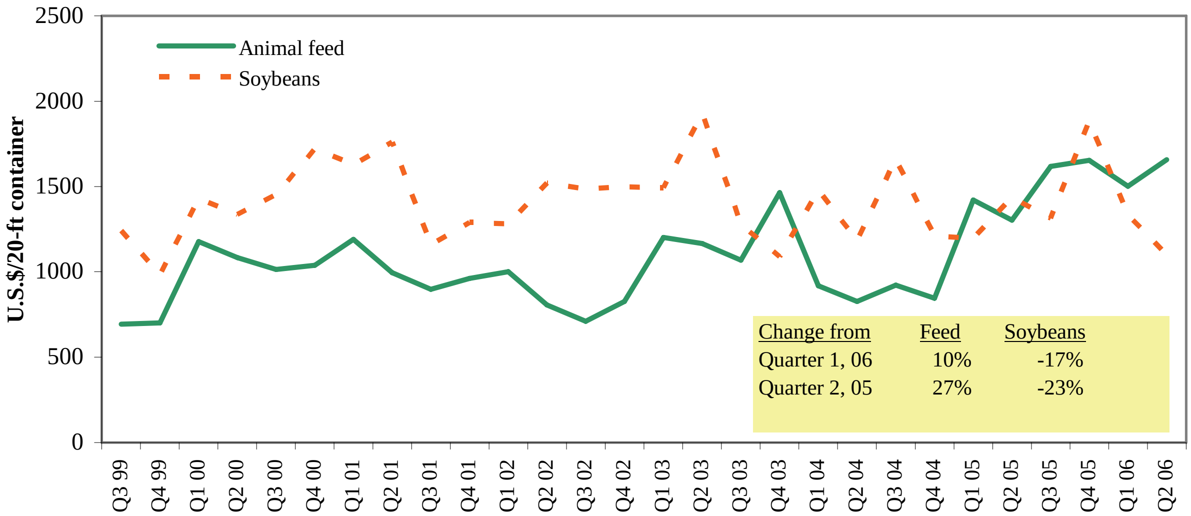
Source: Baltic Exchange (www.balticexchange.com)

Table 18
Ocean Freight Rates For Selected Shipments, Week Ending 8/19/06

Export region	Import region	Grain types	Loading date	Volume loads (metric tons)	Freight rate (US$/metric ton)
U.S. Gulf	South Korea	Hvy Grain	Jul 5/10	55,000	36.00
U.S. Gulf	Honduras	Soybean Meal	Jul 5/15	10,000	83.01
Ukraine	Morocco	Hvy Grain	Jun 19/26	20,000	20.00
Gt Lakes/St. Lawrence	Jordan[1]	Wheat	Jun 15/30	22,709	54.50
River Plate	Algeria	Hvy Grain	Jun 20/30	20,000	44.75
River Plate	Algeria	Hvy Grain	July 28/30	25,000	41.50
River Plate	Poland	Hvy Grain	Aug 1/ 10	30,000	44.00

Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option
[1]75 percent of food aid from the United States is required to be shipped on U.S. flag vessels. The vessels are limited in availability resulting in higher rates. In addition, destinations receiving food aid generally lack adequate port unloading facilities, requiring the vessel to remain in port for a longer duration than normal.
Source: Maritime Research Inc. (www.maritime-research.com)

Figure 18
Ocean Rates[1] for Containerized Shipments to Selected Asian Countries

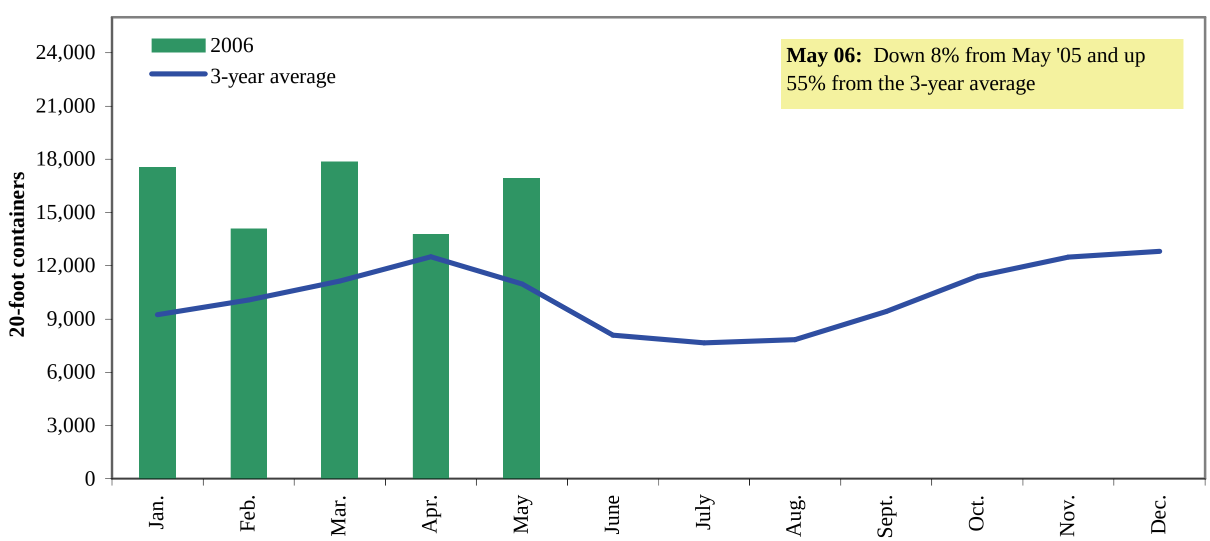


[1]Rates are weighted by shipping line market share and destination country.
Countries include: Animal Feed: Busan-Korea (11%), Kaohsiung-Taiwan (32%), Tokyo-Japan (33%), Hong Kong (15%), Bangkok-Thailand (9%) and soybeans: Busan-Korea (1%), Kaohsiung-Taiwan (83%), Tokyo-Japan (12%), Bangkok-Thailand (3%), Hong Kong (1%)
Source: Ocean Rate Bulletin, Quarter 2, 2006, Transportation & Marketing Programs/AMS/USDA

Container ocean freight rates – average rate per twenty-foot equivalent unit (TEU) weighted by shipping line market share and trade route.

During 2005, containers were used to transport 4 percent of total U.S. grain exported, and 5 percent of total U.S. grain exported to Asia.

Figure 19
Monthly Shipments of Containerized Grain to Asia



Source: Port Import Export Reporting Service (PIERS), *Journal of Commerce*

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